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Arizona Corporation Commission

BEFORE THE ARIZONA CORPORATION COMMISSION

DOCKETED

MAR 06 2001

William Mundell  
Chairman

Jim Irvin  
Commissioner

Marc Spitzer  
Commissioner

DOCKETED BY	<i>pd</i>
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IN THE MATTER OF THE APPLICATION  
OF H2O, INC., FOR AN EXTENSION  
OF ITS EXISTING CERTIFICATE OF  
CONVENIENCE AND NECESSITY

Docket No: WS-02234A-00-0371

IN THE MATTER OF THE APPLICATION  
OF JOHNSON UTILITIES, L.L.C. DBA  
JOHNSON UTILITIES COMPANY FOR AN  
EXTENSION FOR ITS CERTIFICATE OF  
CONVENIENCE AND NECESSITY TO  
PROVIDE WATER AND WASTEWATER  
SERVICE TO THE PUBLIC IN THE  
DESCRIBED AREA IN PINAL COUNTY,  
ARIZONA

Docket No: WS-02987A-99-0583

Docket No: WS-02987A-00-0618

IN THE MATTER OF THE APPLICATION  
OF DIVERSIFIED WATER UTILITIES, INC.  
TO EXTEND ITS CERTIFICATE OF  
CONVENIENCE AND NECESSITY

Docket No: W-02859A-00-0774

IN THE MATTER OF THE APPLICATION  
OF QUEEN CREEK WATER COMPANY  
TO EXTEND ITS CERTIFICATE  
OF CONVENIENCE AND NECESSITY

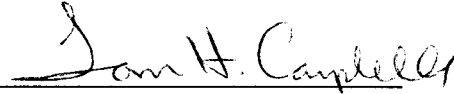
Docket No: W-01395A-00-0784

NOTICE OF FILING REJOINDER TESTIMONY

Pursuant to the October 16, 2000 Procedural Order, Johnson Utilities files the  
rejoinder testimony of Brian Tompsett.

1 DATED this 6<sup>th</sup> day of March, 2001.

2 LEWIS AND ROCA LLP

3  
4 

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10 Attorneys for Johnson Utilities Company

11 ORIGINAL and ten (10) copies  
12 of the foregoing filed this 6<sup>th</sup> day  
13 of March, 2001, with:

14 The Arizona Corporation Commission  
15 Docket Control – Utilities Division  
16 1200 W. Washington Street  
17 Phoenix, Arizona 85007

18 COPY of the foregoing hand-  
19 delivered this 6<sup>th</sup> day of March,  
20 2001, to:

21 Karen E. Nally  
22 Assistant Chief Administrative Law Judge  
23 Arizona Corporation Commission  
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25 Phoenix, Arizona 85007

26 Teena Wolfe, Legal Division  
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10 COPY of the foregoing mailed  
11 this 6<sup>th</sup> day of March, 2001,  
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BEFORE THE ARIZONA CORPORATION COMMISSION

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Docket No: W-02859A-00-0774

IN THE MATTER OF THE APPLICATION  
OF QUEEN CREEK WATER COMPANY  
TO EXTEND ITS CERTIFICATE  
OF CONVENIENCE AND NECESSITY

Docket No: W-01395A-00-0784

REJOINDER TESTIMONY OF  
BRIAN P. TOMPSETT ON BEHALF OF  
JOHNSON UTILITIES, L.L.C.  
March 6, 2001

1 **Q. Please state your name.**

2 A. My name is Brian P. Tompsett.

3 **Q. Did you file rebuttal testimony in this proceeding?**

4 A. Yes. I filed rebuttal testimony on January 30, 2001.

5 **Q. What is the purpose of your rejoinder testimony?**

6 A. I wish to respond to some of the comments contained in Diversified Water Utiliites'  
7 rebuttal testimony. Specifically, I want to respond to comments about Johnson  
8 Utilities' current water system and the ability of Johnson Utilities to expand its  
9 water system to serve Bella Vista Farms. I will also comment on Skyline's  
10 surrebuttal testimony.

11 **Q. Why do you believe that Johnson Utilities is better able to serve Bella Vista  
12 Farms?**

13 A. Johnson Utilities will be serving water to properties on three sides of Bella Vista  
14 Farms. By integrating Bella Vista Farms into the master plan for this area, Johnson  
15 Utilities can take advantage of cost savings during design and construction. Main  
16 lines can be extended through Bella Vista Farms to serve other developments in  
17 Johnson Utilities' current (and proposed) certificated areas as well as Bella Vista  
18 Farms. For instance, it would allow Johnson Utilities initially to connect two  
19 existing wells and eventually loop its system. Diversified cannot take advantage of  
20 this economy to serve Bella Vista Farms.

21 **Q. At pages 13 and 14 of his rebuttal testimony, Mr. Gray states that Johnson  
22 Utilities has experienced significant growth within its certificated area, that the  
23 current certificated area covers approximately 45 miles, and that Johnson  
24 Utilities is struggling to meet the demands for service in its existing service  
25 area. Do you agree with Mr. Gray's statements?**  
26

1 No. At this point in time, developments in only three sections of land are being  
2 served by Johnson Utilities. Johnson Utilities anticipates serving developments in  
3 six additional sections this year. There are numerous additional, existing wells that  
4 will be placed online when future projects require service and plans to build  
5 additional storage and distribution facilities. It also should be noted that  
6 approximately 14 sections of the "45 mile" certificated area include the San Tan  
7 Mountain Parks and other areas that have terrain that makes development  
8 impossible.

9 **Q. On page 17, line 26, Mr. Gray states that Diversified has plant "more closely**  
10 **sized" to existing needs than Johnson Utilities. Is that true with respect to**  
11 **Bella Vista Farms?**

12 **A.** I am not sure exactly what Mr. Gray means, but I do know that Diversified's  
13 existing system cannot serve Bella Vista Farms. Diversified would need to build  
14 new production, storage and distribution facilities to serve Bella Vista Farms.  
15 Diversified's nearest facilities include 8 inch distribution lines that are not adequate  
16 to serve even the portions of Bella Vista Farms currently in Diversified's CC&N  
17 area.

18 **Q. On page 19 of his testimony, Mr. Gray indicates that there is value in**  
19 **"looping" a system. What is your response to Mr. Gray's desire to "loop"**  
20 **Diversified's existing system using Bella Vista Farms?**

21 **A.** A looped system is advantageous to the provider and consumer. But Diversified  
22 has many avenues open to them to loop its system without adding Bella Vista  
23 Farms. Diversified can use existing public right-of-way, existing public utility  
24 easements or easements currently recorded on section lines. The addition of new  
25 subdivisions within Diversified's existing area will also provide opportunities for  
26 looping.

1 **Q. On pages 20 and 21 of Mr. Gray's testimony, he states that Johnson Utilities'**  
2 **operations are "very distant" and that it does not have any production, storage**  
3 **or transmission facilities within miles of the requested service area. Mr. Gray**  
4 **goes on to say that any operations initiated by Johnson Utilities would be**  
5 **isolated and would be equivalent to allowing a brand new utility to serve the**  
6 **area without any related operations. Do you agree with Mr. Gray statements**  
7 **with respect to Bella Vista Farms?**

8 **A.** No. Johnson Utilities has a production well in the northeast corner of Section 20,  
9 T3S, R8E, which is within one mile of Bella Vista Farms. Johnson Utilities also  
10 has a production well in the southeast corner of Section 17, T3S, R9E. This well is  
11 within two miles of the Bella Vista Farms development. These two wells could  
12 effectively serve the first phases of the Bella Vista Farms development from two  
13 facilities providing redundancy and a looped system. Diversified only has one well  
14 that is also about one mile from Bella Vista Farms. Both companies will need to  
15 build new storage and distribution facilities to serve Bella Vista Farms. It is also  
16 my understanding that the developers of Bella Vista Farms have requested that  
17 Johnson Utilities serve their project, and that development is forthcoming.

18 **Q. Have you reviewed the surrebuttal testimony of Skyline's witness Eric Laurin.**

19 **A.** Yes. Mr. Laurin sets forth a series of performance standards that Skyline would  
20 like as conditions to any certificate issued by the Arizona Corporation Commission  
21 to serve the Skyline Ranch property.

22 **Q. Do you have any comments on that testimony?**

23 **A.** Johnson Utilities has submitted design criteria to the Arizona Department of  
24 Environmental Quality ("ADEQ") as part of the Johnson Ranch development.  
25 ADEQ has accepted that design criteria and approved numerous subdivisions based  
26 on that design criteria. Johnson Utilities has records of current demands and uses



1 that indicate the design assumptions have been conservative and meet consumer  
2 demand with a generous safety factor. ADEQ's requirements are sufficient.  
3 Johnson Utilities should not be required to comply with additional standards as  
4 requested by one developer.

5 **Q. Are you familiar with Staff's recommendation that Parcels 1, 7 and 8 be left**  
6 **out of Johnson Utilities' expanded CC&N because there is no need for service**  
7 **in these areas?**

8 A. Yes.

9 **Q. Do you agree?**

10 A. No. There are engineering and economic efficiencies that will be lost if these  
11 parcels are excluded from Johnson Utilities' system. For instance, the system can  
12 be sized and built with sufficient production, storage and distribution facilities  
13 initially to serve the larger area, thereby taking advantage of economies of scale and  
14 ultimately reducing costs to end users. It should also be noted that there are  
15 existing homes within Parcel 8 that will benefit from Johnson Utilities' service.

16 **Q. Would your testimony be the same if Parcels 3, 5, 6, 11 and 12 are excluded**  
17 **from Johnson Utilities' certificated area?**

18 A. Yes.

19 **Q. Are you familiar with the June 2, 2000 Consent Order issued by ADEQ against**  
20 **Johnson Ranch Water System, Docket No. DW-62-00?**

21 A. Yes, I am.  
22  
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1 Q. Can you explain the circumstances behind the issues raised at paragraphs 26  
2 and 27 of the Consent Order regarding Johnson Utilities' alleged failure to  
3 obtain Approvals of Construction (AOC)?

4 A. Yes. It is unclear to me why these issues were included within this Order. These  
5 AOC's are associated with two wells within the Johnson Ranch facility that are not  
6 being used to serve domestic water needs. Johnson Utilities does not anticipate that  
7 Well #3 will be used for domestic water in the near future. Johnson Utilities has  
8 filed an application for an AOC for Well #5. When Johnson obtains an Approval  
9 for this well, this well will be used as a back-up well for the drinking water system.  
10 It is my understanding that Johnson Utilities was not in violation of any ADEQ  
11 requirement with respect to these two wells.  
12

13 Q. Can you explain the circumstances behind the sampling violations?  
14

15 A. No. I am not familiar with nor do I partake in the routine compliance sampling.  
16 The only information I have about the sampling violations is to note that they are  
17 all several years old.  
18

19 Q. Are you familiar with the May 12, 1999 Consent Order issued by ADEQ  
20 against Johnson Ranch wastewater system, Docket No. P-105-99?  
21

22 A. Yes, I am.

23 Q. Can you explain the circumstances that lead up to the need for this Consent  
24 Order?  
25  
26

1 A. Yes. The Arizona Department of Environmental Quality requested that Johnson  
2 Utilities enter into this Consent Order as part of their agreeing to allow Johnson  
3 Utilities to vault and haul sewage from the Johnson Ranch Development.  
4  
5 Developers at the Johnson Ranch property were anxious to build. In order to serve  
6 these new developments with wastewater service in such a short time frame, it was  
7 necessary for Johnson Utilities to vault and haul the domestic wastewater since the  
8 wastewater treatment plant had not been completed, and ADEQ, despite earlier  
9 assurances to the contrary, would not allow the facility to operate in a limited  
10 fashion. Because the ADEQ does not like to have utilities vault and haul for long  
11 periods of time, they entered into a Consent Order with Johnson Utilities that would  
12 limit the time Johnson Utilities could vault and haul. Clearly, the limited duration  
13 of the vault and haul order had to coincide with the approval to operate the  
14 wastewater system, which the Consent Order addressed.  
15  
16

17 **Q. So the Consent Order was basically a result of Johnson Utilities taking the**  
18 **steps necessary to serve the expedited needs of the associated developments,**  
19 **and not the result of ADEQ's time frames.**  
20

21 A. Correct. It is my understanding that the Order was issued as a result of Johnson  
22 Utilities' request to the Department that a solution be reached to expedite  
23 wastewater services for the development.  
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1 Q. Does this conclude your testimony?

2 A. Yes, it does.  
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VERIFICATION

STATE OF ARIZONA

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SS:

County of Maricopa

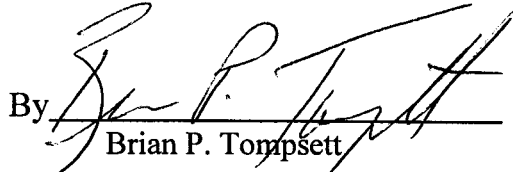
)

Brian P. Tompsett, of lawful age being fire duly sworn, deposes and states:

1. My name is Brian P. Tompsett. I am the Vice President and Director of Operations of the WLB Group, Phoenix, office.
2. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct to the best of my knowledge and belief.

DATED this 6th day of March, 2001.

By

  
Brian P. Tompsett

SUBSCRIBED AND SWORN TO before me this 6<sup>th</sup> day of

March, 2001.

  
Notary Public

My commission expires:

